

**House Committee on Oversight and Government Reform, Subcommittees on the Interior,
Energy and Environment and Intergovernmental Affairs**

**Field Hearing: "Examining the Impacts of Proposed NAAQS on the Sheboygan, Wisconsin
Area"**

Tuesday, May 1, 2018 at 10 a.m.

University of Wisconsin, Sheboygan

Hearing Purpose: The purpose of this hearing is to examine the impacts of the 2015 ozone NAAQS designations in the Sheboygan, Wisconsin area.

Witness List:

- Mr. Rick Esenberg, President, Wisconsin Institute for Law and Liberty
- Mr. Lucas Vebber, General Counsel, Wisconsin Manufacturers and Commerce
- Ms. Jane Brill, Marketing and Program Director, Sheboygan County Chamber
- Mr. Steve Steinpreis, Director of Technical Services, Plymouth Foam, Inc.
- The Honorable Tyler Vorpagel, Wisconsin State Representative

Members in Attendance:

Majority: Sen. Ron Johnson (WI), Rep. Glenn Grothman (WI)

Minority: None

Opening Statements:

Rep. Glenn Grothman:

- Been fighting this issue for more than 20 years. Ozone is a problem around Lake Michigan.
- EPA forced Wisconsin to develop a SIP and which burdens local businesses.
- Sheboygan's status is based on inaccurate data on ozone levels from a shoreline monitor (Kohler).
- Businesses here have been penalized for pollution they didn't create. Alternative is to use (more inland) Haven monitor instead.
- Hopeful new EPA administration under President Trump will change how the designations are done.

Sen. Ron Johnson:

- Greatest impediment to business is overregulation.

- Cost of overregulation is about \$15k per household. It's a silent killer – lower wages and higher unemployment.

Witness Statements:

Mr. Rick Esenberg, President, Wisconsin Institute for Law and Liberty

- EPA has it backwards – they are penalizing citizens for pollution they didn't create and creating regulations in D.C. that make Sheboygan County a "no growth" zone.
- Regulation needs to take place where pollution is created.
- This is not just an issue in Sheboygan Co, but all along the shoreline.
- Makes sense to address transport, but not penalize Sheboygan. New regulations should impact the upwind areas.

Mr. Lucas Vebber, General Counsel, Wisconsin Manufacturers and Commerce

- Sheboygan County has been unfairly burdened because of problems it didn't create.
- Despite great improvements in air quality, Sheboygan County continues to be held accountable for transported pollution.
- State of Illinois and foreign countries have contributed more pollution in Sheboygan County than the county.
- CAA gives EPA authority over movement of the monitor. EPA regs prohibit the exclusion of data from the lakeshore monitor in the designation process.
- Nonattainment NSR offsets are the biggest problem with non-attainment areas.

Ms. Jane Brill, Marketing and Program Director, Sheboygan County Chamber:

- Lakeshore monitor is outdated and improperly sited.
- Cited LADCO study showing that Lake Michigan is the problem and that monitors closer to the lake show higher ozone levels.
- Non-attainment designation stifles economic growth in Sheboygan County.

Mr. Steve Steinpreis, Director of Technical Services, Plymouth Foam, Inc.:

- Region 5 and WDNR have been helpful in educating the Sheboygan ozone task force.
- EPA is prohibited by the constraints imposed by the CAA.
- His company is subject to non-attainment NSR and nearby competitors face less stringent PSD requirements.
- EPA needs to update the CAA or change the monitoring regulations to allow for the exclusion of data from the Kohler/lakeshore monitor.

The Honorable Tyler Vorpapel, Wisconsin State Representative

- EPA agrees with the assessment of transported pollution into Wisconsin.
- Haven/inland monitor more accurately captures emissions from Sheboygan.
- Sheboygan businesses are doing all they can, but it doesn't make a difference at the Kohler monitor.
- This isn't about moving a monitor to avoid regulation; it's about fairly representing emissions and businesses in Wisconsin.

Q&A:

Rep. Grothman:

- What would happen if we put a monitor in Lake Michigan? Mr. Vebber said people in that boat be in 'severe non-attainment.'
- As a practical matter, what does it mean to be in severe non-attainment? Mr. Steinpreis said it takes away profit and growth because you need to sustain your permits and it increases operating costs. Ms. Brill mentioned the LADCO to be released in June 2018, which she expects will show a gradient of decreasing ozone as move away from the lake. Ms. Brill also noted that fuel requirements could also be imposed if the classification of the area went to "severe."
- I've been dealing with this for more than 20 years. It appears that these monitors were placed in areas to inhibit growth. (Some negative reaction in crowd.) Mr. Steinpreis said those monitors were put in place to monitor ozone around Lake Michigan.

Sen. Johnson:

- Has EPA challenged the science by WDNR? Mr. Steinpreis said no. EPA has acknowledged that ozone levels are higher close to the lake and that ozone, and ozone precursors, are transported from upwind areas.
- Does this affect the average guy trying to get a job? Ms. Brill said there's a workforce shortage – more than 3,000 jobs available. Job seekers are discouraged from moving to Sheboygan and Milwaukee counties which have gotten an F from American Lung Association. She said that Chicago/Gary, Indiana area may reach attainment before Sheboygan County.
- Sen. Johnson asked someone to describe next steps. State Rep. Vorpapel mentioned state bill that would prohibit use of the lakeshore monitor in regulatory decisions. Mr. Steinpreis mentioned that former WDNR Secretary Cathy Stepp is now the Regional Administrator, but is recused from this matter.

The hearing adjourned at 11:30 a.m. Approximately 100 people attended the hearing.